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SIPDIS

STATE FOR AF/S, AF/EX, HR/OE
NSC FOR SENIOR AFRICA DIRECTOR JFRAZER
TREASURY FOR ED BARBER AND C WILKINSON
USDOC FOR 2037 DIEMOND
NAIROBI FOR PFLAUMER
RIO FOR WEISSMAN
PRETORIA PASS AG ATTACHE HELM

E.O. 12958: DECL: 04/17/07

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SUBJECT: COMMERCIAL FARMERS PESSIMISTIC RE: BOTH SHORT
AND LONG TERM PROSPECTS

CLASSIFIED BY ECONOFF K BEL FOR REASONS 1.5 (B) AND(D)

[1](#)1. (C) Summary: DCM and Laboff met with three representatives of the Commercial Farmers' Union (CMF) - David Hasluck, Director, Malcolm Voles, Deputy Director, and Colin Cloete, President, on April 11, [1](#)2002. The CFU had requested the meeting as a "reality check" on the post-election situation of the commercial farmers (CFs) in Zimbabwe. The CFs were pessimistic regarding their ability to "sit out" the situation in hopes of improved post-election prospects. They were similarly dismissive of GOZ projections that winter crops, grown with or without the participation of the CFs, could yield enough to meaningfully address Zimbabwe's critical food shortfall. End summary.

Situation Regarding the Commercial Farmers (CFs)

[1](#)2. (C) The CFU reps were very downbeat regarding the GOZ land resettlement program. Although the farmers had hoped for some easing of the situation post-election, they have seen "more of the same" in the form of farm occupations, acquisitions, and the targeting of white commercial farmers. In fact, the CFs have seen an increase in A-2 settlers (A-2 is the GOZ's indigenous, small-scale commercial farmer program) who receive entire farms rather than pared-down sustenance plots. The CFU's assessment is that white commercial farmers are no longer viewed by the leadership as a key component of the Zimbabwean economy, with attendant rights.

[1](#)3. (C) The CFU does not believe that the majority of its members will be able, on an economic basis, to "sit it out" much longer. In addition to loss of income and the shrinking value of any savings, the farmers are facing their routine obligations - debt payments, tuition payments, and living costs, the net result being forced migration.

Future Economic Projections for CFs in Zimbabwe

[1](#)4. (C) Of 4,500 paid members in the CFU prior to the land acquisition scheme, the number has dwindled to approximately 3,200 members - a decline of more than one quarter. Further, about 50% of the remaining farmers are having major operating or viability problems. The CFU stated that this year had seen approximately \$250 million in forex income, of which the producers were the main beneficiaries. This amount is down from the \$350 million which was expected.

[1](#)5. (C) When asked whether the CFs would be able to put crops in next year if they "rode it out" for this year, the CFU responded that there were both political and social elements to the question. The CFs believe that surviving for six to eight months without being on the farm would be extremely difficult, noting that the equipment and assets of the farms would certainly be stolen/looted during the farmers' absence. They noted as well that the figures coming out from the Central Bank were increasingly unbelievable. They feared that the economy would become de-monetized to the point that people would refuse to accept money for goods and services.

[1](#)6. (C) The CFU complained that Agriculture Minister Made's projections regarding the capacity of the government to grow winter crops were outrageous. They noted that Minister of State Security Goche, rather than the Minister of Agriculture, was ostensibly in control of this project. Although the government has reportedly already placed an order for fertilizer for the winter wheat crop, the official estimate of the

amount of wheat which could be grown was far out of balance with reality. While the GOZ publicly stated plans to plant 45,000 hectares of wheat by October 2002, the CFs believed the GOZ would barely be able to sow 4,000 hectares. (UNDP projects a maximum hectarage of 10,000, if all goes ideally.)

17. (C) Additionally, the GOZ did not even know who would be growing the wheat. Most of the settlers - and particularly the A-2 settlers - had little or no farming experience. There had been some suggestion to the CFs that they remain on their homestead and teach the new settlers how to farm, a proposition which they received with incredulity and disinterest.

18. (C) As far as the participation of CFs in the winter growth cycle, they stated that while it might be possible for them to plant 20,000 hectares, yielding 120,000 tonnes, there were legal constraints to contend with as well. For instance, the issue of whether they would be allowed to remain on the farms through harvest time is a key, but as yet unanswered, question.

CFU Assistance

19. (C) When the CFs asked how they could assist the mission, the DCM requested that they keep the Embassy informed of the situation and new developments. In addition, the CFs agreed to provide the names of A-2 settlers who were being allocated or grabbing large chunks of CF assets. Further, the CFs agreed to keep us informed of dialogue or approaches from the GOZ that might point to normalization of the situation.

10. (C) Comment: Zimbabwe's white commercial farmers are clearly at the end of their rope, and even their previously affixed veneer of optimism about "riding it out" is now cracking. An already destructive solution is made worse by the Agriculture Minister's recent statement that farmers are henceforth not allowed to remove equipment - including irrigation systems, farming tools, and tractors - from their farms. Though such an edict is in clear violation of the law, it reflects the GOZ's attitude that property rights are no longer enjoyed by the commercial farmers. As the realization of their fate becomes clear, more and more will be forced to consider options elsewhere, with varying but shrinking amounts of movable assets. Zimbabwe's economic foundation is being dangerously eroded as we watch, with parallel damage being simultaneously inflicted on its civic foundation. End comment.

Whitehead